Democratization, Decentralization and Environmental Governance in East Asia: An Introduction

AUTHOR(S):

Mori, Akihisa

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Akihisa Mori

1. Democratization and Decentralization in East Asia

East Asia has gone through democratization and decentralization in the late 1980s and 1990s. South Korea declared democratization and Taiwan lifted martial law in 1987. China made administrative and fiscal reforms for decentralized management in 1994, while suppressing democratic movements in 1989. Thailand paved the way toward a democratic regime in 1991, and the constitution of 1997 stipulated a wider range of participation for communities and decentralization. Indonesia was forced to adopt a democratic regime and local autonomy after the Asian economic crisis triggered Suharto's stepping down in 1998.

However, democratization and decentralization have not progressed straightforwardly in East Asia. East Asian countries had long adopted developmental authoritarian regimes that gave the highest priority to such interests as the unity of the nation, boosting the national prestige, and economic growth, while sacrificing the interests of individuals, families, local communities, and ethnic minorities (Suehiro, 1998). They have been reluctant to effectively embody democratic principles in decision-making, even reversing these when feeling that outside pressure had become small enough to disregard, so as to pay more attention to other political and economic pressures. The agendas and foci of activities shifted toward more diversified, non-material issues after the states institutionalized some, though not all, of the movements' requirements to extend human rights, to expand delivery of education, and to improve citizens' quality of life. Ideology became less unifying, and movements are generally characterized by more fluid modes of participation, organizational structure, strategy, and membership (Fagan, 2004: 27).

Democratization and decentralization do not automatically ensure improvement of environmental policy and performance. To improve environmental performance, political-institutional conditions, including the participative, integrative, and strategic capacity of the state (on long-term action), should be high enough (Jänicke, 1997). However, the political cycle in many democratic states is based on four - or five-year periods. Political leaders tend to make decisions without regard to long-term effects on the environment. Local institutions tend to make decisions without taking cross-border impacts into consideration. These cause problems of accountability and calls for the redistribution of loss and gain. It is only when the state recognizes the cost of environmental problems and conflicts that central governments have enhanced environmental policy through pluralistic, participatory decision-making and local authority in democratic countries.

On the other hand, authoritarian states may adopt better policies. More often than not, however, due to lack of institutional capacity, they rely on administrative measures in implementing these policies. This causes an implementation deficit in two stages: first, local governments do not comply with legislative or administrative direction and the desires of their superiors; and second, polluters, developers, and resource-users ignore directives emanating from the administrative structure. They cannot solve collective action problems that lead to the overexploitation of environmental resources. Lack of government capacity has raised demand for environmental governance that is rooted in informal rule systems and that features open and flexible architecture and knowledge construction, setting up of norms, and horizontal learning in decision-making. This enables states to involve non-governmental actors such as civil society and private business as sources of assistance in the formulation and implementation of policy.

The recent progress of globalization adds another layer of complexity. Freer international trade and foreign direct investment have scale, technology, and composition effects, which may accelerate or reduce intensive exploitation and use of environmental resources in a country (Antweiler, Copeland and Taylor, 2001). Enhanced transnational channels of communication, through which information on policies can be communicated, offer greater opportunities for a government to learn about and adopt a particular policy that has shown proven effects in other countries (Tews, Busch and Jörgens, 2003). These effects may have both positive and negative impacts on democratic institutions and environmental governance.

These factors have swung the pendulum of environmental governance back and forth during two decades of the institutionalization of democratic and decentralized institutions in East Asia. This book aims to clarify how democratization and decentralization have enhanced environmental governance in East Asia, and to examine the future progress of environmental governance amid growing globalization.

As an introduction, this chapter reviews recent theoretical research on the effects of democratization and decentralization on the environment; it briefly examines struggles for democratization, decentralization, and environmental governance amid high economic growth in East Asia, and provides abstracts of each chapter.

2. Changing Development Mode toward Sustainable Development

Jordan and O'Riordan (1993) show four steps to realize sustainable development, or less unsustainable development. The first step is very weak sustainability, where stocks of natural and human-made capital stay constant over time, but are freely substitutable. The second is weak sustainability that focuses on the protection of critical natural capital, but with measures to allow room for ignorance over thresholds of tolerance. The third is strong sustainability, where a

precautionary principle applies to safeguarding critical natural capital, and all development follows the doctrine of public trust through planned measures of environmental improvement. The last step is very strong sustainability that realizes a steady-state economy; local, social, economic, and political self-reliance; global citizenship through educational entitlements; redistribution of property rights through burden-sharing; and paying off legacies of ecological damage.

However, this transition is a profoundly radical combination of ecological imperative, social redistribution, and political empowerment that will involve global management regimes, the limitation of national sovereignty, and greatly enhanced local involvement and self-reliance (O'Riordan, 1997: 140). In reality, many states have tended to avoid profound reform and have taken steps only toward very weak sustainability.

The Environmental Kuznets hypothesis explains factors that bring developing countries to realize very weak sustainability amid the development process. It argues that environmental pollution and degradation worsen in the early stages of economic growth but slow down as the economy grows beyond a certain income level (Shafik, 1994; Grossman and Krueger, 1995). It also suggests that developing countries can enjoy the "advantages of backwardness" in environmental management because they can adopt production methods with lower emission and/or resource intensity that were developed by industrialized countries; implement environmental policies based on scientific knowledge on environmental pollution and damage; and promote industrial sites leading to low emission intensity in the early stages of economic development (O'Conner, 1994). This implies that developing countries can avoid serious environmental deterioration and pollution that industrialized countries have gone through and can "tunnel through" the Environmental Kuznets Curve (EKC) (Munasinghe, 1999).

De Bruyn and Heintz (1999) summarize earlier studies to point out that at least one of the following essential factors explains the logic of the hypothesis: (a) an increase in consumers' marginal utility for environmental improvement and an accompanying rise in expenditures for pollution prevention and eco-friendly products, (b) policy changes, especially the strengthening of environmental policies and the elimination of policies escalating environmental degradation, (c) increased environmental efficiency of firms through improvements in environmental management as well as technological innovation and advancement, (d) a decline in the share of the secondary sector exerting great stress on the environment as a result of changes in the industrial structure, and (e) industrial relocation to other countries.

Theoretical explanations of the EKC implicitly assume a democratic capitalist state in which the state considers voting results in policy-making processes. This assumption holds true only if three conditions are satisfied. First, the government has to develop an enabling environment where citizens' can voice their concerns and where their claims can be heard and negotiated on, and where interests

and alternatives can be balanced in a fair and transparent manner (UNDP Thailand, 2003). These guarantee political rights, freedom of opinion, and secret ballots (Torras and Boyce, 1998). But people may vote for their representatives by their ethnicity rather than political agenda (Collier, 2009). Industrial lobbying may exert so strong influence in the policy-making process of the representative democracy that decisions are skewed even if the government obtains accurate information on environmental pollution and damages (Aden and Ahn, 1999).

Second, people have to realize the seriousness and causal relations of environmental degradation. They may not have any concern about environmental degradation and may undervalue environmental risks unless they obtain, understand, and share accurate knowledge on environmental pollution and damages in a timely manner. Communities may not recognize environmental degradation and understand these causal relations unless they have enough education and literacy (Torras and Boyce, 1998). Citizens and communities tend to have the least incentive to protest environmental degradation that has crossborder and/or long-term impacts because they are too invisible to threaten their lives directly (Shafik, 1994; McConnell, 1997).

Third, people have to reflect environmental concern quickly in elections and/or in protests to the government. They tend to protest environmental degradation where population and economic activities are highly concentrated, environmental pollution is serious, the environmental pollution and its sources are visible, and people are highly educated (Hettige, Huq and Pargal, 1996; Kaufmann *et al*., 1998). Even if per capita income is lower than the threshold level and the educational level is low, communities that rely crucially on environmental resources and that have long used land and environmental resources in a sustainable way tend to be aware of changes in the state of environmental resources, and actively mobilize environmental movements when outside actors exploit environmental resources and have significant ecological impacts (Martinex-Alier, 1995).

Even if a political system reflects people's rising environmental concerns in its policies, it does not ensure that the Environmental Kuznets hypothesis holds true. Nations can choose centralized, hierarchical, and closed administrative institutions of environmental decision-making, because the centralized mode of administration in state, economy, and society has performed key functions in advancing industrialization (Torgerson, 1990). It actually improves environmental performance during the early years of implementation. It becomes evident, however, that administrative rationalism confronts diminishing marginal returns to effort; claims advancing bureaucratization and instrumental rationalization as a cost of improvements; and easily overrides environmental improvements when it crashes up against other priorities that have nothing to do with the environment (Dryzek, 1990). The state forces firms to adopt end-of-pipe technologies that require higher investment and management costs than cleaner production.

In addition, administrative rationalism is ill-equipped to register complex, dynamic ecological

signals or to offer a coordinated policy response to these. The political system observes environmental problems indirectly through public opinion. The party in power recognizes the environment as a problem only when public concern rises beyond a threshold. This concern must compete for political attention against more defined economic interests with cleaner links to citizens' material circumstances. The political system has a limited capacity for the environment, which is too complex, interlinked, and unpredictable to be managed by the rigid prescriptions of legal norms and rules.

This implies that a centralized mode of administration, while successful in promoting the established pattern of development, has not been shown to be effective in either restricting or qualitatively redirecting industrialization, and even causes environmental crises. This deficiency calls for a thorough revision of administrative inquiry and practices, and the establishment of democratic, decentralized institutions for the environment.

3. Democratic Institutions and Environment

3.1 Improving the Environment in a Democratic Regime

Democratic pragmatism is proposed as a remedy for the crisis of administrative rationalism. It may be characterized in terms of interactive problem-solving within the basic institutional structure of liberal capitalist democracy (Dryzek, 2005: 99). It consists of a flexible process involving many voices, and cooperation across a plurality of perspectives. It requires communicative political structures and practices within the basic institutional structure of liberal capitalist democracy. Communicative rationality is conducive to social problem-solving; it renders collective decision-making reasonable and impartial; and promotes ecologically rational decision-making inasmuch as it enables the individuals concerned with different facets of a complex problem to pool their understandings and harmonize their actions in the light of reciprocal understandings of the various normative issues at stake. This process proceeds in non-hierarchical fashion, and so no cognitive burden is imposed on any decision center (Dryzek, 1990: 102). Deliberative political procedures are oriented toward developing democratic learning potential through the institutionalization of the procedures and conditions for free political procedures, and the interplay of these institutionalized communicative processes with informally developed public opinions (Mason, 1999).

Democratic pragmatism assumes that expanding a system of liberal democratic rights realizes environmental protection in the democratic regime. However, proponents for the environment have many different, often conflicting voices. Priorities should be given to helping identify ecological sustainability as a generalizable interest. By attaching one set of generalizable interests to the sum of humanity, basic democratic freedom enables environmental democracy to be a moral priority independent of non-global collective identities. Sustainable development is a good example of a morally based generalizable interest, for it has enabled a vast array of diverse actors to crowd under

the umbrella of sustainability and to press their goals in the context of what they regard as unquestionable sets of values.

It is also important that human rights to a healthy, safe, and decent environment, as well as environmental participatory rights, are given legal recognition by democratic governments. They underpin civil and political freedom and constitute the strongest moral claims to ecological sustainability. A system of rights is a necessary condition for institutionalizing non-coercive and reflexive forms of public communication. Both rights and democracy are essential for the democratic legitimacy of law-making and public policy, for rights maintain the level of reciprocal recognition and equal participation among citizens that is required for rational political deliberation, while democracy ensures that this mutual recognition is inclusive.

In line with democratic pragmatism, several nations have institutionalized procedures and conditions. These include: public consultation, alternative dispute resolution, policy dialogue, lay citizen deliberation, public inquiries, and right-to-know legislation.

3.2 Challenges of Democratic Pragmatism under a Capitalist Market Economy

Democratic pragmatism has an advantage in that it enables views on policy proposals to come from a variety of directions. In addition, political participation can help make the attendant redistribution of costs and benefits fairer and more widely understood (Paehlke, 1990).

However, there are intrinsic limitations. First, there is political power. Democratic pragmatism recognizes citizens as a basic entity and a natural relationship of equality across citizens. However, this imagery of reasoned debate among equals is in practice highly distorted by the exercise of power and strategy, and by the overarching need of government to maintain business confidence (Dryzek, 2005: 117). The outcomes of policy debates and decision-making processes are skewed toward business interests and do not often coincide with ecological values.

Second, participation in liberal democratic settings does not lead actors to discard their motivations as consumers and producers in favor of more public-spirited citizen preferences. In a repressed political setting, ecological sustainability can be a generalizable interest that is sought as a part of liberal democratic rights, regardless of its consequences for material benefits. However, individuals have different preferences over material and environmental benefits in liberal democratic settings, especially when they count on intergenerational equity. The assumption that they treat private economic decisions as the domain of “the Economic Man” and governmental decisions as the domain of “the Citizen” is criticized as schizophrenic.

Third, even morally based generalizable interests can cause pervasive and divisive fragmentation among and within groups and countries when actions designed to implement the proposed communities prove to be highly controversial and largely ineffectual (Rosenau, 2005: 25).

Environmental problems, as well as their solutions, often claim adjustments of income, institution, and power distribution, and thus bring material and health benefits and costs partially. Proponents of environmental protection are subject to fragmentative dynamics when it comes to advancing their own particular interests for their own political and economic ends, as seen in the NIMBY (not in my backyard) syndrome.

3.3 Overcoming the Limitations

The first limitation of an unbalanced power structure can be partly mitigated by restructuring industrial society along more environmentally sound lines. To initiate this restructuring, conscious and coordinated intervention is needed, because environmental degradation is recognized as a structural problem that can be dealt with by attending to how the economy is organized. Jänicke (1997: 1) emphasizes the importance of environmental capacity-building, reflecting the implication in the debate on sustainable development that concludes long-term strategies must include concepts for improving the conditions of environmental action. It shows that institutional and non-institutional political action for the environment is most effective when the state enhances participative, integrative, and strategic capacity and facilitates a thriving civil society, and when the relevant governmental and non-governmental actors participate in the decision-making process cooperatively (Mason, 1999: 92).

Participative capacity is defined as the openness of the input structures of the political process. This relates to the constitutional support for the political representation of environmental interests, and access to information, participation, and justice (Pelkowa *et al*., 2002). Informed and meaningful public participation is a mechanism for integrating citizens' concerns and knowledge into public policy decisions that affect the environment. Decisions that incorporate public input generally result in outcomes that are more effective and environmentally sustainable than those that do not. Access to redress and remedy or access to justice gives individuals and public interest groups the opportunity to protect their rights to information and participation and to contest decisions that do not take their interests into account.

As participatory and decentralized approaches prevail, the government faces an increasing number of competing claims. Integrative capacity is required to aggregate a diverse range of individual and group preferences, working up durable policies. Three kinds of integrative capacity should be enhanced: policy integration throughout dispersed jurisdictions, cross-sectoral integration of conflicting policies, and external integration of environmental policy institutions and non-governmental actors (Jänicke, 1997: 13).

Strategic capacity is defined as the capacity to implement comprehensive and long-term objectives in a well-coordinated manner with sufficient staying power. A long-term objective is a necessary institutional precondition for environmental democracy, locking ecological objectives into all levels

of formal decision-making (Mason, 1999: 83). Because industry itself cooperates in the design and implementation of policy, it has enough incentives to embrace ecological modernization, provided it is sufficiently farsighted rather than interested only in quick profits.

Cooperative decision-making can render effective and democratically legitimate decisions when a discursive interplay of political communication is made between formal political institutions and civil society. On the one hand, the diverse and dynamic civil space of concerned citizens, interest groups, and media networks is the source of non-institutional communicative and associative activity, geared towards influencing the political system. On the other hand, sustained ecological protest is, other things being equal, likely to be more effective when a democratic system is open to environmental interests and when institutional decision-making structures have strong integrative and strategic capacities. The degree of institutionalization of the environmental movement is also strongly related to national political opportunity structures (Mason, 1999: 88–9).

In practice, the ecological restructuring of industrial society prevails only in industrial nations where key actors have a consensual relationship. These nations are often far from being ecological democracies. The inclusion of greens and environmentalists in corporatist government depletes the will of the public sphere to push the country further, as former activists are attracted into government and accept moderation as the price to be paid (Dryzek, 2005: 236).

4. Decentralization and the Environment

4.1 Advantages of Decentralized Environmental Management

Decentralization is proposed as another remedy for the crisis of centralized mode of administration. Centralized mode of administration causes the implementation deficit for two reasons: policies made centrally are rarely sensitive to the local circumstances in which local governments operate; and the structure of administration prevents learning from being communicated up the administrative hierarchy (Dryzek, 2005: 95–6).

Decentralization in the sense of devolution has several clear advantages. First, based on the public finance principle of subsidiary, the performance of the public sector can be enhanced by taking account of local differences in culture, environment, endowment of natural resources, and economic and social institutions (De Mello, 2000). Local preferences and needs are believed to be best met by local, rather than national, governments. Information on these local preferences and needs can be extracted more cheaply and accurately by local governments, which are “closer” to the people and hence more identified with local causes. Even limited decentralization in the sense of delegation of implementation tasks to local-level agencies can make a difference, because local people can be better informed about and have better access to local organizations (Bardhan, 1996).

Second, decentralization promotes democracy by “bringing the state closer to the people,” that is,

increasing local participation and building social capital (World Bank, 1997). Decentralization reform has long been linked with the democratization process, participatory politics, local empowerment, and social and environmental justice (Brosius, Tsing and Zerner, 1998).

Third, the goals of decentralization largely coincide with the needs of effective national resource management (Larson, 2002). Local people are more likely to identify and prioritize their environmental problems accurately. Resource allocation should be more efficient and information costs lower, and local groups are likely to have a greater sense of ownership of decisions made locally. It should be easier to monitor resource use, and marginalized groups could have greater influence on policy. The formal and informal webs of relations often needed to address resource problems are easier to develop over reduced distances.

Fourth, decentralization gives opportunities to improve accountability and coordination among the concerned government agencies. This will lead to integrated planning, permitting, environmental safeguards, and monitoring and reporting of compliance with national minimum standards at the local level (World Bank, 2001).

Finally, decentralization provides materials and revenues to local communities (Ribot, 2002).

4.2 Pitfalls of Decentralized Environmental Management

Despite these advantages, decentralization also has pitfalls (Bardhan, 1996). First, local public goods may not be allocated efficiently when there are economies of scale in the supply. Second, there are agglomeration economies in attracting qualified people in bureaucracies and when more professional and technical people do not suffer from the disadvantages of isolation, poor training, and low interaction with other professionals. Services decline in quality owing to the lack of local institutional and technical capacity for performing the new tasks. The new institutions must develop the professional capacity, financial resources, and political support to deliver the services effectively.

Third, local authorities may be unable and even unwilling to supply local public goods that have interjurisdictional externalities. Lack of coordination can doom decentralization efforts, especially when agencies have different objectives and institutional capacities (De Oliveira, 2002).

Fourth, decentralization can have adverse effects on macroeconomic stabilization, when local governments spend much more than their revenues to accumulate heavy debt, and the central government is obliged to come to their rescue. The most important factors are agency problems arising from the delegation of fiscal powers, and “common pool” problems associated with funding decentralized government spending through revenue-sharing (De Mello, 2000). The former relates to the asymmetry of information on the costs and benefits of government spending between the central and local governments to which fiscal powers are delegated, while the latter implies that local governments may face incentives to underutilize their own tax bases at the expense of national

sharable revenues.

Finally, the problem of corruption afflicts local governments more than central governments in developing countries. A major reason for higher local corruption may have to do with the fact that the arm's-length relationships among the various parties involved are much scarcer at the local level. Local governments lack the capacity to manage the responsibility and accountability to higher government instead of to local people. Local elites can seek opportunities to gain control over resources and income, while regular auditing of public accounts is often absent or highly ineffective at the local level due to a lack of financial and administrative capacity.

These disadvantages, coupled with the unwillingness of state ministries and agencies to transfer power and budgets to local institutions and/or communities, have often resulted in the increase of state presence, power, and control at the local level, often through making local institutions responsible for monitoring and enforcing regulations in places where states previously had little influence over the use of resources. Decentralization has often eroded community rights, producing effects contrary to what had been promised (Vandergeest and Wittayapak, 2010: 11).

4.3 Conditions for Materializing Environmental Benefits from Decentralization

The benefits of decentralization can be materialized when appropriate conditions for local governments are established for managing the environment: that is, capacity, incentive, and commitment (Larson, 2002). Capacity includes the necessary financial and human technical resources, which are largely available only in wealthier urban municipalities or where NGOs or projects provide funds.

Appropriate incentives may prevent local governments from limiting their role to providing services and promoting infrastructure projects, and from initiating development projects and concessions without seriously considering environmental impacts. Incentives may include the possibility of increasing municipal income; pressure or aid from NGOs, projects, or civil society actors; and/or the need to solve a pressing conflict or crisis. An appropriate legal framework that established responsibility with authority would also provide an important incentive for municipal government action.

The process of enhancing capacity and incentives is critical for surviving changes of administration, because these changes may reverse the advances made. The process, which can be called long-term commitment, may include integral and institutionalized participation of civil society that is incorporated deeply into the local knowledge base.

5. Impact of Globalization

Economic globalization has had significant impacts on society and the environment. National

development paths may entail environmental problems on a global scale. Liberalization of international trade and foreign direct investment changes the scale as well as the composition of production and consumption, and make it easier to access advanced technologies. It brings negative impacts on the environment where enhanced international competition forces the adoption of non-sustainable production and consumption and specialization in environment-intensive industries. It has also encouraged the concentration of economic activities at economically favorable areas while pulling out resources from less favorable areas.

Coupled with deregulation and public sector reform, economic globalization also brings diffusion of authority, and limits the scope of maneuver on the part of government actors. It strengthens the role of service provision in the market while shrinking the role of local cooperative groups. Competition over foreign direct investment makes it difficult for central governments to keep existing tax systems that are heavily dependent upon progressive income and wealth taxes and the income-transfer system.

Multilateral development institutions (MDIs) have substantially promoted the disempowerment of nation-states. MDIs have been enhanced to deal with global economic and financial crises that a single country cannot manage effectively in a timely manner. However, as a condition of new credit provision, they have often imposed policies that commercialize natural resources and environmental assets, such as land, forests, and water, and liberalize these markets to invite foreign direct investment (Goldman, 2005). Transnational corporations take advantage of liberalized markets to increase profits and influence to policy-making in host nations, exploiting natural resources and accelerating environmental degradation (OECD, 2002).

All of these factors serve to widen the income gap between rich and poor, and between rural and urban. This brings uneven and imbalanced impacts locally, makes it more difficult to have a common understanding of problems and generalizable interests, generates conditions for a fragmentative situation, and weakens social solidarity. This threatens the premises of democratic pragmatism, that extension of liberal democratic rights and communicative political structures and practices will bring ecologically rational choice. It also brings the so-called democratic dilemma: that is, global economic integration virtually requires some form of corresponding political integration, but the very notion of global government in any form is worrisome, especially perhaps to those with strong liberal democratic instincts (Paehlke, 2003: 2).

Local governments may emerge as a necessary alternative agent for providing social capital and social safety nets under the globalization. They are deemed to be effective bodies for providing such services because they can respond to the increasing diversity in services among local communities (Jinno, 1997). Local communities and groups acquire greater autonomy and a heightened readiness to contest the integrative forces of globalization. However, they do not often respond to localized

resistances against boundary-spanning activities. Empowerment of local communities and groups often generates conflicts of interests among them, and reinforce the NIMBY syndrome.

On the other hand, the emergence of global environmental issues, followed by the conclusion of the multilateral environmental conventions and agreements, can expand environmental concerns widely to business and society. Ratification of a multilateral environmental convention forces industries, especially exporting industries and transnational companies, to change their conventional activities to comply with the "international standards." National as well as local environmental NGOs can enhance collaboration with multilateral environmental NGOs that pursue the same objectives, obtaining knowledge and learning best practices so that they can act as an advocacy tank.

6. Development, Democratization, Decentralization, and the Environment in East Asia

6.1 Changing Development Modes

East Asian nations have pursued industrialization through the intensive mobilization and management of physical and human resources. As a means of crisis management during the Cold War, they kept developmental authoritarian regimes, concentrated power to the state, and repressed political and civic freedom. The United States has explicitly or inexplicitly supported this kind of regime to contain the spread of Communist revolution as well as violent revolution. In addition, as latecomers, East Asian nations were pressed to rapidly industrialize their economies in order to catch up with the early-industrialized nations. These conditions created a space for them to prioritize economic growth and give legitimacy to development dictatorships.

Citizens became impatient at the prolonged suppression and started to raise their voices. To keep their legitimacy, authoritarian governments have implemented development policies to show good performance and to divert people's attention away from the suppression of welfare and freedom of choice for individuals. They have established central agencies in charge of economic development and planning, proposed relevant policies to direct industrialization, ensured macroeconomic stability through prudent financial policies and foreign exchange systems, and intervened directly with labor-management relations. At the same time, through public projects, governments have developed the infrastructure in both rural and urban areas by, for example, fixing levees and providing irrigation, water, sewerage, roads, and housing in order to distribute the fruits of economic growth to people in a visible manner. Moreover, to reduce regional gaps, they have developed industrial complexes and invested in economic infrastructure including railways, roads, ports, roads, and power plants linked to these complexes. They have decided these development policies and projects in a top-down manner.

In the mid-1980s, to overcome external debt crises, East Asian nations were forced to change their development policies from import substitution industrialization, supported by the existing national strategic distribution of funds, toward export-led industrialization. Export-led industrialization was

expected to obtain foreign currency, to promote technological transfers, and to improve the technical skills of labor. To enhance international competitiveness, they devalued national currencies, lifted entry bans against multinational companies, and implemented market-promoting policies and institutional reforms (World Bank, 1993; Stiglitz 1996). They gave multilateral companies tax privileges, such as reductions in corporate taxes, tariffs, and property tax; simplified procedures; banned the organization of trade unions; developed industrial complexes and export-processing zones; and invested in economic infrastructure (Mori, 1997). In order to protect domestic firms, governments restricted their activities to export markets, but gradually allowed them to sell their goods in domestic markets. Finally, they liberalized financial and capital markets to attract capital inflows.

This has increased the competitiveness of labor- and resource-intensive industries, in which these nations have acquired comparative advantages. It has also expanded the educated middle class as well as the new elite class in urban areas.

On the other hand, this success has accelerated the “growth first, clean-up later” strategy. Firms allocated an increased portion of profits to expanding production capacity and enhancing productivity, sometimes without regard to adverse impacts on society and the environment. Tax concessions often made the increases in state revenue lag behind economic growth (Mori, 1997). The state allocated increasing amounts of tax revenue to economic infrastructure instead of social sector. As governments secured budgets for economic infrastructure, it became difficult to cancel public development projects even if they were deemed harmful to the environment or to society.

6.2 Democratic and Environmental Movements

Influenced by such international conferences as the United Nations Conference on the Human Environment in 1972, many East Asian nations have created major environmental laws and regulations and established within their central governments an administrative organ in charge of the environment. The environmental impact assessment was incorporated into laws in Korea and Thailand (1970s), Indonesia (1986), and finally in Japan (1997).

However, states did not show strong willingness to enforce these laws and did not provide enough legal authority and resources to the organizations in charge. Thus they did not have the capacity to preserve or improve the environment. They accelerated economic growth and industrialization at the cost of the environment.

As the size and wealth of the educated middle class increased and the economic costs of environmental degradation became apparent, they harbored their grievances against concentrated power and political repression, and vitalized democratic movements. This, in turn, led to widespread demand not only for the political freedom of institutional democracy, but also for public participation

and civil society. At the same time, marginalized people began to challenge the value and logic of an industrial society that had forced swift adaptation on them, and caused them to give up their conventional values, wisdom, and customs. Affected people protested against environmental disruption that had been suppressed under authoritarian political regimes. In order to challenge strong, repressive developmental authoritarian governments, these activities tended to establish strong, well-organized movements with radical agendas and unconventional forms. These groups and organizations became united ideologically and had a common purpose: the extension of human rights to encompass the social and ecological conditions of democratic communication. In Korea, Taiwan, and Thailand, protesters against environmental pollution joined forces with pro-democracy activists. In various parts of Indonesia, residents living near factories began frequent, aggressive protests against pollution in the late 1980s. Even in China, where protests have often been regarded as rebellion against the state, complaints against environmental pollution have increased since the media reported environmental pollution in the Huai River in 1994.

6.3 Institutionalizing Democracy and the Environment

These democratic movements led to the replacement of the authoritarian regime by democratic regimes in South Korea, Taiwan, Thailand, and Indonesia. This also prompted these states to establish administrative institutions for the environment, even before they attained the “turning point” per capita income of the EKC hypothesis. The basic environmental laws and regulations were created or fundamentally revised, and administrative organs responsible for the environment were established, restructured, or expanded. Institutions for decentralized environmental management and participatory approaches were also created. Moreover, environmental budgets were increased to promote enforcement and to build environmental infrastructure such as sewage and solid waste disposal facilities. Government environmental expenditures increased beyond one per cent of GDP in Japan, Korea, Taiwan, and China (Figure 1). This resulted in pollution reduction in the early 1990s in South Korea and Taiwan, and a decline in the concentration of airborne particulates and sulfur dioxide in urban areas in the 1990s (Table 1).

However, established institutions were often centralized, hierarchical, and had a closed system of decision-making. They tended to imitate environmental laws and regulations that had been enacted in industrialized countries, without adjusting to local circumstances. They did not create an enabling environment that granted citizens access to information, participation, and justice. These factors resulted in stronger business influence on policy-making processes and weaker attention to the adverse impacts of industrialization under the existing growth-oriented ideologies.

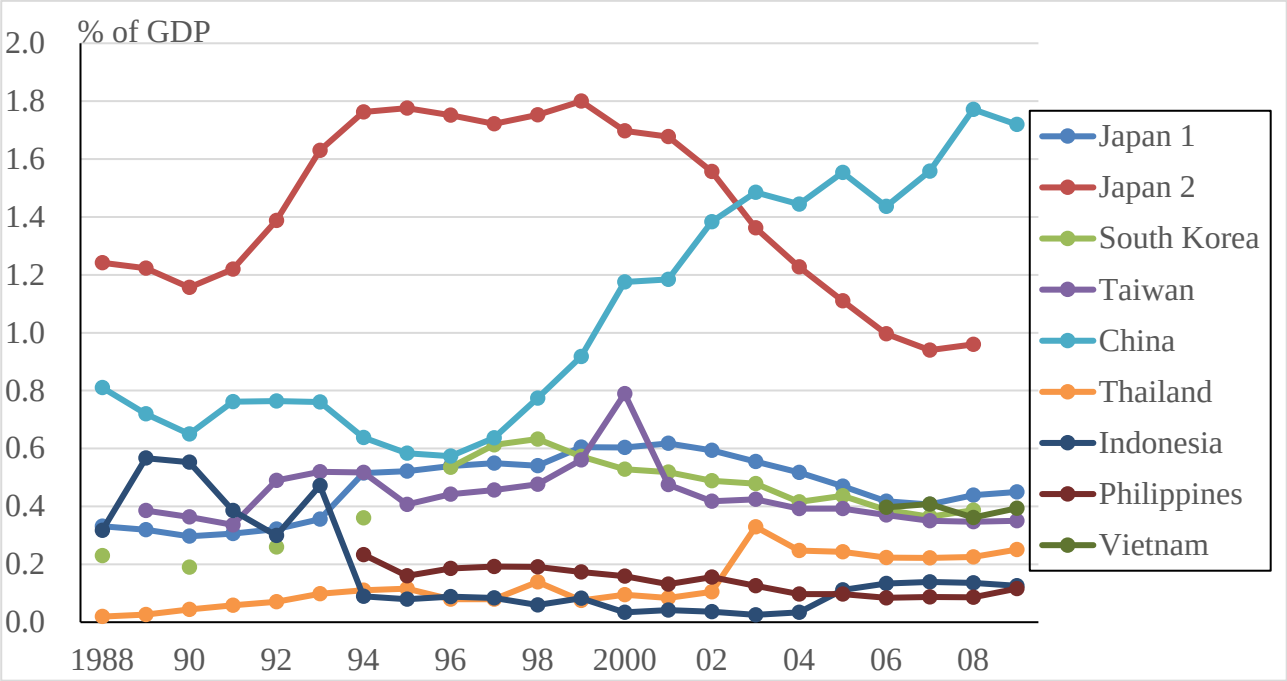

Figure 1 Ratio of Government Environmental Expenditure in GDP

Note: Japan 1 shows government budget only, and Japan 2 includes fiscal investment and loans.

Source: Author compilation based on Statistical Yearbook of each country.

In Thailand, democratization increased industrial influence on policy decision-making processes. Environment protection was pursued as far as it conformed to their interests. Industrial afforestation is promoted as a means of forest protection without admitting the right to protect forests of local communities relying on forests for their livelihood (Mori, 2005). Even though the environmental impact assessment is stipulated in the basic environmental law, it is often ignored or implemented only after projects have already started (Mori, 2003). All of this has resulted in further degradation of the environment and widening health damages around industrial complexes.

China has suffered from bureaucratic fragmentation and implementation deficits under the transition to a market economy. At the central level, the Ministry of Environment was appointed to protect the environment, but was not given enough authority or resources to perform this duty. Municipalities were allowed to charge pollution levies and spend them on industrial pollution abatement as well as on capacity-building for the environment. This led to decentralized environmental management. However, the fiscal and administrative reforms for adapting to a market economy have made decentralized environmental management ineffective in many local governments. The tax-sharing reform of 1994 replaced the existing revenue-sharing system between the state and state enterprises under the planned economy, so that the central government could obtain a larger share of tax revenues in order to avoid external debt crises. At the same time, a large number of administrative responsibilities were assigned to local governments with little fiscal transfer with

which to implement these new duties. In addition, a performance-based evaluation system was adopted that evaluated the local chief officer by economic performance. These reforms forced local governments to seek additional sources of revenue. This resulted in their active initiatives on local development through requisitions and conversions of farmland that did not take adverse social and environmental impacts into consideration. Environmental protection bureaus at local governments could little to counteract this development impulse.

Japan managed its implementation deficit by allowing local governments to enact stringent standards, and by providing soft loans for industries to adopt proven pollution-abatement and cleaner production technologies. These approaches enabled the rapid improvement of the environment. However, they sapped environmental movements and turned their foci into local issues. A nationwide environmental organization, let alone a Green Party, has never emerged even though a number of local protests have occurred against public development projects, nuclear power, landfill, and incineration plants. This allowed for the spatial, temporal, and cross-media transfer of the problem.

Table 1 State of Air Pollution in East Asia (μg/m3)

	Particulate Matter 1995	Particulate Matter 1999	Sulfur Dioxide 1998	Sulfur Dioxide 2003
Lanzhou	732	192	109	86
Taiyuan	568	105	211	99
Liupanshui	408	70	102	70
Beijing	377	106	90	61
Shenyang	374	120	99	52
Guiyang	330	84	424	89
Chongqing	320	147	340	115
Tianjin	306	149	82	74
Jakarta	271	103	-	-
Shanghai	246	87	53	43
Bangkok	223	82	11	-
Manila	200	60	33	-
Pusan	94	43	60	-
Kuala Lumpur	85	24	24	-
Taegu	72	49	81	-
WHO standard	60-90		40-60	

Note: data are shown in yearly average.

Source: World Bank, World Development Indicator, 2000 and 2005.

6.4 The Asian Crisis in 1997 and its Aftermath

The financial crisis of 1997 reversed economic growth and undermined economic nationalism and developmentalism, the two most prominent ideologies of successful political movements in East Asia. It also undermined the legitimacy of the existing authoritarian, techno-bureaucratic regimes. The IMF disavowed the economic strategies and political systems that were praised for realizing "East Asian Miracle." As a condition of new credit provision, it imposed a package of neo-liberal policies that included: devaluation of currencies; removal of export taxes and tariffs; commercialization of natural resources and environmental assets, such as land, forests, and water: liberalization of domestic markets; and removal of regulations that restricted foreign investment. Meanwhile, the demand for local political and legal autonomy also pushed political reform, and decentralization became a key element of the process of democratization. In Thailand and Indonesia, the economic crisis revealed the potential demand for reform and raised a wider and continuing debate about governance (Cheung and Scott, 2003).

This IMF intervention and the accompanying political reform accelerated the exploitation of national resources in Indonesia. The financial crisis of 1997 led the Suharto government to step down, and opened the way for democratization and local autonomy. Political debate over local autonomy forced the central government to transfer authority for the environment and natural resources to regencies (*kabupaten*) and municipalities (*kota*) instead of provinces. However, few regencies and municipalities had the necessary resources, technology, and knowledge to take over these areas of authority, because central agencies and provincial governments had jointly implemented environmental regulations. In addition, local and provincial governments outside Java, which had rich natural resources and which had been dissatisfied with political repression and with the distribution of the fruits of economic growth, took advantage of local autonomy to increase local economic growth and their revenue. With the imposed neo-liberal policy package, they issued excessive logging concessions and permissions for land conversion to palm oil plantations, and helped development projects that would negatively impact the natural environment and local society. The Ministry of Environment can no longer intervene in their decisions because these areas of authority have been delegated to local governments. Local people and communities face difficulties in protesting or bringing cases to court because democratization did not bring accompanying institutions for access to information, participation, and justice.

By contrast, post-crisis governments in South Korea and Taiwan have made the political system more open and responsive, and adopted innovative environmental policies and sustainable development strategies to advance environmental policy integration. This is a part of the response to the rising discontent at the existing political leadership and at the working of electoral democracy

after the economic crisis and IMF intervention. The sense of discontent and distrust among the disadvantaged and excluded, and even the educated urban middle class who had enjoyed rising prosperity, turned populist leaders into challengers against the established political parties and leaders (Mizuno and Phongpaichit, 2009). Leaders who had fought against the authoritarian regime were elected as presidents and the parties that had pushed for democracy took over the government. These governments adopted new environmental instruments for industrial pollution control and waste management in order to avoid local conflicts in a more democratic setting.

China did not suffer direct impacts from the economic crisis. However, the state had to mandate the shutdown of small-scale, inefficient plants and coal-mining to minimize the adverse economic impacts. Accession to the World Trade Organization (WTO) in 2001 has offered opportunities for business to gain profits from expanding exports, taking advantage of low labor and resource costs to improve production and resource efficiency. This, along with the weak authority and resources of government environmental organizations, led to overdeployment and excessive use of natural resources and acceleration of land expropriation for development projects. All these factors have increased social conflicts, raised the Gini coefficient, and made it difficult to stop environmental degradation. The central government has tried to prevent local governments from excessively initiating and commissioning development projects that have adverse impacts on the environment and society. These attempts include legislation of the Environmental Impact Assessment Act and forcible ceasing of development projects violating that Act; binding reduction targets for sulfur dioxide emissions and energy consumption in the Eleventh Five-Year Plan with chief officers' performance evaluation in this regard. However, these measures are effective only where they are integrated well with industrial policy, and for those businesses that export their products to the EU market (Rock and Angel, 2005).

6.5 Swinging Back and Forth?

In 2008, Lee Myung-Bak became president in South Korea and Ma Ying-jeou in Taiwan. As leaders of the ruling party in authoritarian regimes, both of them are breaking down democratic institutions and environmental policies, such as sustainable development strategy that the Democratic Party had established and implemented during almost a decade of rule. Lee Myung-Bak, for example, adopted a low-carbon, green growth strategy that includes development of the major rivers, but is taking measures to dissolve environmental NGOs that have initiated and organized protests against public development projects.

In Japan, the Democratic Party took over the government in 2009 and declared a 25 per cent reduction of greenhouse gases by 2020, more ambitious than the conservative reduction target of the former ruling party. The new government prepared a basic climate change mitigation bill that

stipulated the introduction of emissions trading and carbon taxes, but failed to pass it due to the resignation of the prime minister. However, Naoto Kan, who took over the government, seems to have as a low priority climate change policy and the environment in general.

7. Structure of the Book

Chapter 1 analyzes the case of Japan. In Japan, the environmental movement is not intertwined with the democratic movement because the latter developed at a much earlier time. The constitutional democracy together with civic rights and freedom provided an institutional basis for a nationwide movement and local government initiatives against industrial pollution. Access to justice enabled the court to make judgments in favor of victims in situations where industrial pollution had endangered the fairness of society and further economic growth. However, institutions for the environment were largely top-down, centralized, and hierarchical, because the state did not change its development-oriented strategy and applied institutions and instruments to control industrial pollution. This less accountable, less pluralistic regime, together with the increasing amounts of specific subsidies and strict fiscal control enabled the bureaucrats and the Liberal Democratic Party (LDP) to roll back stringent environmental policies, to deprive local governments of the fiscal foundation for taking initiatives, and to prevent a strong environmental policy network from emerging outside the government. This chapter points out that environmental degradation under the rollback period and people's rising concern provides an opportunity for creating institutions for non-profit activities and to increase access to information, and that globalization promotes the reintroduction of stringent environmental policies but under a more accountable and pluralistic regime.

Chapter 2, 3, and 4 analyze the progress made on environmental governance in 20 years of democratic regimes in South Korea and Taiwan. In both countries, military and authoritarian governments suppressed democratic regimes, but gradually established government organs in charge of the environment in response to local protests against worsening pollution. The end of dictatorship and the transition to democratic regime opened up political opportunities for citizens to organize nationwide environmental movements, which sought such generalized interests as human health. This movement prompted the governments to adopt more stringent environmental policies and to allow citizen, lawyers, and experts to take part in environmental protection. Chapter 2 points out that this led to the national sustainable development strategy that encouraged citizen participation as a driving force of environmental policy integration under the Roh Moo-Hyun government, but that democratic movements focused on government public works such as the reclamation of tidal lands and landfill sites, often causing NIMBY protests. Chapter 3 reviews the low-carbon, green growth strategy of the Lee Myung-Bak government and criticizes this government for destroying the democratic institutions that ensured citizen participation and empowered environmental policy networks, including

environmental NGOs, in order to implement the “green” development projects in the name of green growth. Chapter 4 examines both the positive and negative impacts of democratization in Taiwan on the environment. It points out the underdeveloped capacity of the legal system and relevant laws as the cause of negative impacts, but claims that recent court confirmation of the qualifications for plaintiffs and judgment in favor of public interest groups opens the door for civil society to be a guardian of the environment.

Chapter 5 and 6 conducts case studies of Thailand and Indonesia as recently democratized countries. Thailand has gradually enhanced institutions for democratic rights, decentralization, and environmental protection since 1992, when the military government clashed with democratic movements. By contrast, Indonesia rapidly and substantially changed its authoritarian regime into a democratic and devolution regime after Suharto stepped down in 1998. This difference has generated varied environmental outcomes. Chapter 6 points out that, in Thailand, democratization enabled business to hold influential power and to accelerate environmental degradation on the one hand, but on the other hand created an institutional basis for a democratic way of problem–solving, by enabling local people and victims to bring environmental cases to the administrative court, and by supporting decentralized renewable energy development to reduce fossil fuel consumption. Chapter 7 shows how democratization and local autonomy, coupled with liberalization and sectoral policy reform imposed by the IMF and the World Bank, has accelerated the depletion of natural resources and environmental degradation, and how local environmental movements react to reverse this trend.

Chapter 7 analyzes environmental movements and environmental governance in China. In China, environmental movements have not been so active since the Tiananmen Square protests of 1989, because the government regards massive protests as rebellion against the state. However, local protests have frequently occurred against industrial pollution and local government-initiated land development projects. To complement the lack of capacity and incentive of local governments on strict implementation, the State Environmental Protection Administration (SEPA) gradually utilized media and local people as watchdogs where local governments ignored the damages of industrial pollution. Chapter 7 classifies local environmental movements into four categories and takes case studies from each category to clarify their achievements and challenges. It points out that environmental rights, freedom of association, and protests should be legally ensured to overcome the challenges.

The final chapter summarizes the swinging back and forth of environmental governance in democratic and decentralized regimes and outlines the future challenges toward better environmental governance in East Asia under a globalizing world.

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